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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/465,418	12/16/1999	GEOFFREY B. RHOADS	60075	8844
23735	7590	08/29/2005	EXAMINER	
DIGIMARC CORPORATION 9405 SW GEMINI DRIVE BEAVERTON, OR 97008				BALI, VIKRAM
		ART UNIT		PAPER NUMBER
		2623		

DATE MAILED: 08/29/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	09/465,418	RHOADS ET AL.	
	<b>Examiner</b>	<b>Art Unit</b>	
	Vikkram Bali	2623	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 21 March 2005.  
 2a) This action is FINAL.                    2b) This action is non-final.  
 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-5 and 18-28 is/are pending in the application.  
 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
 5) Claim(s) 20-22 is/are allowed.  
 6) Claim(s) 1-5, 18, 19 and 23-28 is/are rejected.  
 7) Claim(s) \_\_\_\_\_ is/are objected to.  
 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.  
 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
 a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                     | Paper No(s)/Mail Date. _____ .  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ . | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
|  | 6) <input type="checkbox"/> Other: _____ .                                  |

## DETAILED ACTION

1. In view of the appeal brief filed on 3/21/2005, PROSECUTION IS HEREBY REOPENED. A new ground of rejection is set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

- (1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,
- (2) request reinstatement of the appeal.

If reinstatement of the appeal is requested, such request must be accompanied by a supplemental appeal brief, but no new amendments, affidavits (37 CFR 1.130, 1.131 or 1.132) or other evidence are permitted. See 37 CFR 1.193(b)(2).

2. The declaration does not provide evidence of commercial success. An applicant who is asserting commercial success to support its contention of nonobviousness bears the burden of proof of establishing a nexus between the claimed invention and evidence of commercial success. See MPEP 716.03.

Evidence of commercial success must be clearly attributable to the design to be of probative value, and not to brand name recognition, improved performance, or some other factor. The declaration fails to establish the nexus. The method as detail by the press release in March 2004 (see page 24 of brief) fails to point out the method as claimed, i.e. there no factual evidence in that statement that the method claimed is the

method in the press release. Also, the statement "their adoption of the technology ... of the claimed invention." merely states the opinion of the under signer of the brief and not the evidence of the commercial success as required by the MPEP.

In considering evidence of commercial success, care should be taken to determine that the commercial success alleged is directly derived from the invention claimed, in a marketplace where the consumer is free to choose on the basis of objective principles, and that such success is not the result of heavy promotion or advertising, shift in advertising, consumption by purchasers normally tied to applicant or assignee, or other business events extraneous to the merits of the claimed invention, etc. *In re Mageli*, 470 F.2d 1380, 176 USPQ 305 (CCPA 1973) (conclusory statements or opinions that increased sales were due to the merits of the invention are entitled to little weight); *In re Noznick*, 478 F.2d 1260, 178 USPQ 43 (CCPA 1973).

### ***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

4. Claims 1-5, 18 and 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Funk et al (US 6269169) in view of Russell et al (US 5905248).

With respect to claim 1, Funk discloses a method for recognizing a security document (see col. 5, lines 35-38, wherein I states that the CPU determines "recognizes" as a document be a passport "security document"), and in response, directing to a web site related to the document (see col. 5 last line to col. 6 first two lines, it states that there is network port to connect to a central computer "web site" using a network port in order to call the document information "related to the document") as claimed. However, Funk fails to explicitly discloses a web browser, as claimed. Russell, teaches a method for connecting to a web site using the web browser (see col. 2, lines 57-62) as claimed.

It would have been obvious to one ordinary skilled in the art at the time of invention to combine the two references as they are analogous, because they are solving the similar problem of connecting to a web site to gain the information regarding the document read by the scanner. The teachings of Russell of having the URL encoded in to the text can be implemented in to the security document of the Funk as the passport does has text and the scanner of the Funk does scan the text (figure 1 numerical 12). And, motivation of the combination does come from the teaching reference of Russell from col. 2, lines 34-39.

With respect to claim 2 and 3, Funk further discloses presenting a user with a substitute image (see col. 6, lines 4-6) and presenting a user with supplemental

information relating to the security document to its permitted use, (see col. 6, lines 6-10) as claimed.

With respect to claim 4, Funk further discloses recognizing a security document by a digital watermark encoded therewith, (see col. 5, lines 30-35, it states that the passport has a MRZ sections and the information read from the MRZ sections "watermark" helps to identify or recognize the passport "security document") as claimed.

With respect to claim 5, Funk further discloses a computer storage medium having instruction stored thereon for causing a computer to perform the method of claim 1, (see CPU 14 if figure 1, the CPU does have a RAM to store the instruction to perform the method as detailed in claim 1) as claimed.

Claim 18 is rejected for the same reasons as set forth for the rejection of claim 1, because claim 18 is claiming similar subject matter as claim 1. furthermore, Funk discloses the information concerning reproduction of the document, (see col. 6, 8-9, it states that the central computer "web site" determine if the passport is alter or counterfeit "information concerning reproduction") as claimed.

With respect to claim 27, Funk further discloses recognizing is performed by a general purpose computer, (see figure 1) as claimed.

5. Claim 19, 23, 24, 28 and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Funk et al (US 6269169) in view of Russell et al (US 5905248) as applied to claim 18 above, and further in view of Information Hiding to Foil the Casual Counterfeiter", by Gruhl et al., (hereinafter Gruhl).

With respect to claim 19, Funk and Russell disclose the invention substantially as disclosed and as described above in claim 18. Gruhl teaches: web sites that provide information about counterfeiting and penalties (endnotes 11-13, page 15). It would have been obvious to one of ordinary skill in the art to direct the user of a system like Funk and Russell to a website that not only confirms the validity of document or information about counterfeiting, but also allows the user to provide the would-be counterfeiter with potential penalties for continued passing of false currency. One of ordinary skill would be motivated to look at Funk and Russell in light of Gruhl since the system of Funk is used to provide information regarding the document scanned.

With respect to claim 23, Gruhl teaches: web sites that provide guidelines for legitimate use of security document images (endnotes 11-13, page 15).

With respect to claim 24, Gruhl teaches security document as a banknote, (see figure 5 on page 8) as claimed.

As per Claim 28, although Funk teaches using MRZ information areas (col. 5, lines 30-35) not steganographic data decoded using visible light. Gruhl teaches: wherein said recognizing includes decoding steganographically (imperceptibly embeds, page 3, section 2, second sentence) encoded data from visible light scan data (Gruhl is trying to solve the problems of using color copiers, page 2, Section entitled Problem), corresponding to said document( see fig 5, page 8).

It would have been obvious to one of ordinary skill in the art to use the imperceptible watermark of Gruhl in the system of Funk and Russell, as suggested by Funk (see col. 5, lines 42-50).

Regarding Claim 29, arguments analogous to those presented for Claims 19, 23 and 28 are applicable to Claim 29.

6. Claims 25-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Funk et al (US 6269169) in view of Russell et al (US 5905248) as applied to claim 18 above, and further in view of Witschorik (US 6131718).

With respect to claims 25-26, Funk and Russell disclose the invention substantially as disclosed and as described above in claim 18. However, they fail to disclose recognizing is performed by a scanner and the by the driver software in the scanner, as claimed. Witschorik's method of detecting counterfeit currency teaches recognizing is performed by a scanner and the by the driver software in the scanner, (see figure 1 numerical 50 the scanning devices and col. 8 lines 4-6) as claimed.

It would have been obvious to one ordinary skilled in the art at the time of invention to combine the references as they are analogous, because they are solving the similar problem of connecting to a web site to gain the information regarding the document read by the scanner. The teachings of Witschorik to use the scanner for the recognizing the document can be introduced into the Funk's system as there is a camera numerical 18 of figure 2, and this provides a system that checks for the currency at the point of service, motivation from col. 2, lines 3-6 of Witschorik.

***Allowable Subject Matter***

7. Claims 20-22 are allowed.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Vikkram Bali whose telephone number is 571.272.7415. The examiner can normally be reached on 7:00 AM - 3:30 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Amelia Au can be reached on 571.272.7414. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Vikkram Bali  
Primary Examiner  
Art Unit 2623

vb  
August 18, 2005